

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

MAILING ONLINE SERVICE

Docket No. MC98-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS GARVEY TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T1-28-30)

The United States Postal Service hereby provides responses of witness Garvey to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-T1-28-30, filed on August 7, 1998.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

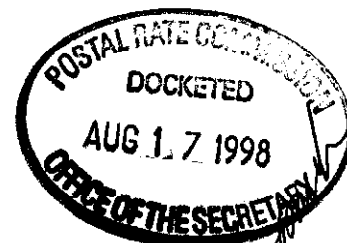
By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Kenneth N. Hollies

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Washington, D.C. 20260-1137
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August 17, 1998



**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS GARVEY
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OCA/USPS-T1-28. Please refer to your response to OCA/USPS-T1-11(a) and (b).

- a. Please identify the "portions" of the three stated metropolitan areas that are part of the market test area.
- b. Please explain whether the "portions" of the three stated metropolitan areas that are part of the market test are defined in terms of geography, organization, or some other manner. Please describe the "portions" in detail.
- e. Please explain whether the "review" of the geographic areas suitable for the test expansion consisted of a market survey, a report prepared by or for the Postal Service, or some other analysis. Please describe the review in detail.

RESPONSE:

- a. See USPS-LR-9/MC98-1 for a complete listing of ZIP Codes within the three metropolitan areas. Please note also that the current two operations test areas will continue into the market test.
- b. The portions chosen represent defined marketing areas known as Designated Marketing Areas (DMAs). This method of delineation allows some degree of control over media marketing.
- c. Our review involved defining the characteristics of high potential candidates for the PostOffice Online market test. These characteristics were then set forth as factors suitable for analysis. These factors are:
 - i. Index of Small Businesses/Square Mile
 - ii. Index of Small Businesses in High Potential Industries (Wholesale, Financial, Services)
 - iii. Index of Work-at-Homes/Square Mile
 - iv. Index of USPS Expedited (Express + Priority) per Small Business
 - v. Index of Percent of Population Internet Enabled

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The suitable geographic areas were scored by Price Waterhouse LLP using these factors and a series of fairly contiguous DMAs were chosen which we thought would be likely to provide the several thousand viable and interested candidate users we sought.

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OCA/USPS-T1-29. Please refer to your response to OCA/USPS-T1-12.

- a. Please explain how the number of market test participants will be "limited to several thousand."
 - i. Does the Postal Service presently possess, or is it in the process of preparing, a list of "several thousand" market test participants? If so, please provide the list.
 - ii. Will the several thousand market test participants be "limited" by their geographic location? Please explain.
 - iii. Will the several thousand market test participants be "limited" as a consequence of their association with one or more organizations? If so, please name the organization and provide the list of participants.
- b. Please identify and provide the costs associated with "informing potential customers or advertising the availability of Mailing Online service during the expanded (market) test period."
- c. Please identify the table(s) in the testimony of witness Seckar, and the attachment(s) and page number(s) in the testimony of witness Stirewalt, containing the costs of "informing potential customers or advertising the availability of Mailing Online service during the expanded (market) test period."

RESPONSE:

a. First, the area of the test is geographically bounded as explained in my Response to OCA/USPS-T1-28 above; second, parties interested in participating will be asked a series of qualifying questions prior to registration. See my Response to DBP/USPS-T1-3(c).

Those providing answers consistent with our established criteria will be permitted to register and become users of the PostOffice Online (POL) services. A limitation of 5000 active registrants has been programmed into the system; an active registrant is defined by having either just registered or performed some POL transaction within the last 30 days. Inactive registrants will be dropped after 30 days of inactivity and new participants allowed to register to fill those slots.

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- i. No list exists.
 - ii. Yes, participants must provide an address within the market test area as part of the registration process.
 - iii. No, participation will be not be based in any way on organizational affiliation.
- b. Redirected to the Postal Service.
 - c. Redirected to the Postal Service.

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OCA/USPS-T1-30. Please refer to your testimony at page 1, lines 11-12. In the year 2001, please identify how many 5-digit ZIP Codes will be within the geographic area of each commercial print site.

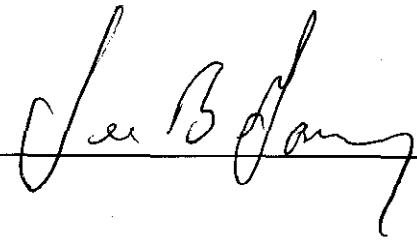
RESPONSE:

Procedures for determining exact boundaries have not been established.

Determinations are likely to be based on demonstrated destinating volume.

DECLARATION

I, Lee Garvey, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.



A handwritten signature in cursive script, reading "Lee B. Garvey", is written over a horizontal line.

Dated: 8/17/98

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Kenneth N. Hollies

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